

Direct PLUS Loan Entrance Counseling for Graduate and Professional Students (Attachment to DLB-08-13)

Overview [Final Regulations published on November 1, 2007](#) require entrance counseling for graduate and professional student Direct PLUS Loan borrowers who have not received prior PLUS loans through the Direct Loan Program or the Federal Family Education Loan (FFEL) Program. The effective date for this new requirement is July 1, 2008, but the Final Regulations authorize schools to implement PLUS entrance counseling earlier at their discretion. Parent Direct PLUS Loan borrowers do not have to complete entrance counseling.

Regulatory Authority 34 CFR 685.304(a)(2) and 34 CFR 685.301(a)(3), as amended by the November 1, 2007 Final Regulations (72 FR 61960).

Effective Date The new entrance counseling requirement applies to first-time graduate and professional student borrowers who receive Direct PLUS Loans first disbursed on or after July 1, 2008. Graduate and professional students who received Direct PLUS Loan counseling prior to July 1, 2008, or who received Direct PLUS Loans prior to July 1, 2008 are not required to complete entrance counseling.

Direct PLUS Loan Entrance Counseling Information Counseling requirements differ slightly depending on whether or not the borrower has received a prior Direct Subsidized/Unsubsidized Loan or FFEL Stafford Loan.

The chart below summarizes the information that must be covered for those borrowers who are required to complete Direct PLUS Loan entrance counseling.

If the graduate/professional student...	Then Direct PLUS Loan Entrance Counseling...
has received a prior Direct Subsidized/Unsubsidized Loan or FFEL Stafford Loan	must provide – <ul style="list-style-type: none">• Sample monthly repayment amounts based on a range of student levels of indebtedness or on the average indebtedness of graduate or professional student PLUS loan borrowers, or student borrowers with Direct PLUS Loans and Direct Subsidized Loans or Direct Unsubsidized Loans, depending on the types of loans the borrower has obtained, at the same school or in the same program of study at the same school;• The maximum interest rate for a Direct Subsidized Loan and a Direct Unsubsidized Loan and the maximum interest rate for a

	<p>Direct PLUS Loan;</p> <ul style="list-style-type: none"> • Periods when interest accrues on a Direct Subsidized Loan and a Direct Unsubsidized Loan, and periods when interest accrues on a Direct PLUS Loan; and • The point at which a Direct Subsidized Loan and a Direct Unsubsidized Loan enters repayment, and the point at which a Direct PLUS Loan enters repayment.
has not received a prior Direct Subsidized/Unsubsidized Loan or FFEL Stafford Loan	<p>must –</p> <ul style="list-style-type: none"> • Provide sample monthly repayment amounts based on a range of student levels of indebtedness or on the average indebtedness of graduate or professional student PLUS loan borrowers, or student borrowers with Direct PLUS Loans and Direct Subsidized Loans or Direct Unsubsidized Loans, depending on the types of loans the borrower has obtained, at the same school or in the same program of study at the same school; • Explain the use of a Master Promissory Note (MPN); • Emphasize to the borrower the seriousness and importance of the repayment obligation the student borrower is assuming; • Describe the likely consequences of default, including adverse credit reports, garnishment of wages, Federal offset, and litigation; and • Emphasize that the student borrower is obligated to repay the full amount of the loan even if the student borrower does not complete the program, is unable to obtain employment upon completion, or is otherwise dissatisfied with or does not receive the educational or other services that the student borrower purchased from the school.

**Entrance
Counseling
Methods**

Entrance counseling may be provided in person, by audiovisual presentation, or by interactive electronic means. In each case, the school must ensure that an individual with expertise in the Title IV programs is reasonably available shortly after the

counseling to answer the student borrower's questions. Schools have several options ensuring that their graduate and professional student Direct PLUS Loan borrowers meet the entrance counseling requirement:

Direct PLUS Loan Counseling Online

[Direct Loan Servicing Online Web site](#) will have an online entrance counseling session available to graduate and professional student borrowers on July 1, 2008.

Beginning July 1, 2008, entrance counseling options via the Web site will include the following sessions:

- Stafford Entrance Counseling Session
- PLUS Entrance Counseling Session (for graduate and professional students obtaining a Direct PLUS Loan)
- Combination Entrance Counseling Session (for graduate and professional students obtaining Direct Subsidized Loans, Direct Unsubsidized Loans, and/or Direct PLUS Loans)

We are designing the updates to our Web site in a way that will guide potential borrowers in selecting the appropriate entrance counseling session based on their borrowing plans.

Direct PLUS Loan Counseling in Print

The “Direct Loan Basics & Entrance Counseling for Student PLUS Borrowers” booklet will be available in print in Summer 2008. It will also be available to order from [FSAPubs](#) and posted on the [Direct Loan Web site](#).

School-Designed Direct PLUS Loan Counseling

A school can create its own material. If so, a school must ensure that all required topics are covered and be able to document that a student has completed counseling.

Regardless of the method or media used to counsel borrowers, individual counseling with each borrower is not required.

**Entrance
Counseling
Reports**

Schools can receive reports about their borrowers who complete online entrance counseling. There are two methods to receive these reports:

1. The reports can be transmitted to a school via the Student Aid Internet Gateway (SAIG) in message class DECCENOP, DECFENOP, or DECPENOP, depending on the school's selected report format (comma-delimited, fixed-length, or pre-formatted, respectively).

Note: Currently for 2008-2009, the record layout for the SAIG entrance counseling report/file remains the same and does not include a field that provides the type of electronic entrance counseling session (Stafford, PLUS, or Combination) completed by the student. However, Federal Student Aid is planning on adding a field that provides the type of electronic entrance counseling in the near future. Information about the implementation of this SAIG report change will be provided in a future Direct Loan Bulletin.

2. The reports can be accessed from the School Reports section of the [Direct Loan Servicing Online for Schools Web site](#). The on-demand entrance counseling reports can requested by type as follows:
- Stafford Entrance Counseling by Date
 - Stafford Entrance Counseling by SSN
 - PLUS Entrance Counseling by Date
 - PLUS Entrance Counseling by SSN

Note: If a student completes the Combination Entrance Counseling Session, his or her information will be included in both the Stafford and PLUS on-demand entrance counseling reports.
